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Abstract

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Emerging South-South Relations in the New International System

Concomitant with the astronomical rise of China's ranking in international politics, there has been a dramatic increase in relations among China, Latin America and Africa. The increased frequency and intensity of foreign relations has been extremely rapid, and this research attempts to, first, illuminate these largely overlooked foreign policy activities, and, second, to evaluate the implications of the trends. A study of foreign policy actions of Global South states reveals that they are taking coordinated actions for a South-South strategy. Although China has long been resistant to officially joining much less leading such a coalition, recent foreign policy statements and actions suggest that China is ready and willing to do so. In conjunction with the rise of other regional leaders, like Brazil in Latin America and South Africa in Africa, a South-South coalition has the potential to achieve significant gains for Global South states in economic growth and international decision making. On the other hand, such a coalition may also spark conflicts in the international system. This study concludes that a South-South coalition framework is a useful model for understanding Global South states' foreign policy decision making and for addressing future conflicts.

The article begins by explaining the premise of a South-South strategy in international relations and China's role within the coalition. The precursor to the current South-South approach was Third Worldism from the late 1950s. China has always accepted the three worlds theories, but they have only recently directly participated in Global South cooperation. The next three section sections analyze the evidence of foreign relations among China, Latin America and Africa in specific South-South objectives. South-South coalition politics center on economic relations, and the initiatives reveal trade in commodities exchange, with the largest economies, and through state-to-state partnership

for investment and financing. The South-South coalition also pursues a strategy of diplomatic cooperation through international organizations. A South-South coalition offers Global South states some short term benefits in trade and financing and strengthens negotiating power in international politics. On the other hand, there are also limitations and contradictions in both principle and practice that warrant further consideration. Thus, research on South-South coalition politics adds to our understanding both areas for cooperation and conflict.

From the Bandung Generation to the Beijing Consensus

In 1955 the Bandung Conference convened leaders of the Asia and Africa to find common goals and design international strategies for the developing world. The Bandung theory of three worlds distinguished the alliances of the West, of the socialist states and of the non-industrialized states in Africa, Asia and Latin America (Van Ness, 1974). The Bandung Conference established the goals of a Third World strategy that persist in the recent South-South coalition: improving the position of developing countries in multilateral fora, struggling against international marginalization (White, 2004), enhancing economic links and technical cooperation among the developing states (Sridharan, 1998), and challenging hegemonism and imperialism (Mora, 1997). During the period of decolonization and within the context of the Cold War bipolarity, power politics and nascent international organizations impeded Third Worldism. Global South states worked together to generate common proposals for change, but they also cooperated – and much more extensively - with the superpowers in return for security and economic benefits.

Rosenbaum and Tyler (1975) proposed that a South-South coalition would be enhanced by an increasingly institutionalized international system that provides more frequent and more significant fora for coordinating the influence of Global South states. The international system of the new millennium has more numerous and more effective international institutions, which, coupled with the growth of the Global South states, have created new instruments of influence in international relations. Joseph Tulchin and Ralph Espach argue that, “Institutionalism offers rulemaker nations a strategy by which they can position themselves to become rulemakers” (2001, p.16). In 2004 White asserted that through multilateral organizations “... South-South relations seem to have acquired a breath of fresh life and begun rejuvenating” (White, 2004, p. 526). White argued, for example, through multilateral organizations countries like Brazil and South Africa have collectively advanced the profile and status of developing countries and added their needs to the global agenda.

Despite disparities and variations among Global South states, their common asymmetry to the Global North provides a common position from which to aggregate their numbers in multilateral organizations. The United Nations (UN), the World Trade Organization (WTO) and other multilateral organizations, especially those that are regionally based, offer the Global South states the opportunity to exercise influence in international politics by virtue of their numbers. The South-South coalition strategy does help explain common proposals, for example, to increase the decision making powers of

Global South states in the IMF and as permanent members of the Security Council. Although those proposals have still not been realized, there is some evidence of success in the diplomatic arena.

The WTO has exemplified a South-South strategy since China became a member in 2002. The Group of 20 (G-20) formed at the WTO Cancún meeting in 2003, and it has successfully blocked agreements that would not advance the interest of the Global South in relation to the states of the Global North. Global South states have also successfully utilized the WTO dispute settlement body not only to challenge the US and European Union (EU) in trade issues but also to resolve conflicts amongst themselves. Mexico, for example, is one of the few states to deny China market economy status and sided with the US in anti-dumping charges against China. This is but one international organization for South-South coalition politics, either as a mechanism to advance Global South interests or to peacefully resolve conflicts through multilateral organizations. The next sections analyze South-South coalition politics in the foreign policies of China, Latin American states and African states to examine in more detail and compare systematically the economic relations and diplomatic coordination of the Global South states.

South-South Foreign Policy in China

China has long seen the Third World as a vital element of China's opposition to hegemony, by either the US or, formerly, the Soviet Union, and it has also championed itself as a leader of Third World (Smith, 1986; Worden, 1986; Yu, 1977). Mao's three worlds theory emphasized the first world of the superpowers (i.e., the US and the USSR), the second world of the other developed states in Europe and Japan, and the Third World of the developing states of Asia, Africa and Latin America (Yu 1977; Kim 1998). China also sees itself as part of the Third World developing states in the Bandung three worlds theory. This section examines China's foreign policy principles and recent initiatives for a South-South Coalition.

China's foreign policy is based on the Five Principles of Peaceful coexistence: 1) high level contact to promote understanding and cooperation, 2) equality and mutual benefits that would promote new forms of economic cooperation, 3) people-to-people exchanges in the areas of culture, education and sports, 4) consultation in international affairs for mutual support and to jointly safeguard international affairs for developing countries, and 5) expanded diplomatic ties (Premier Li, 1995). These principles were actually established in agreements with India in 1954, and the Non-Aligned Movement also adheres to these principles, offering common framework for Global South foreign policies and their global coordination.

Despite the general decline of Third Worldism in the 1980s, this was actually the period in which China began to reinvigorate its South-South agenda. In the post-Mao era China began pursuing a go-global strategy through the Open Door Policy, which emphasized an opening to trade and investment opportunities in the international arena. In 1983 China hosted a South-South Conference, endorsed Third World candidate for United Nations Secretary General, and supported Argentina in the Malvinas conflict. Worden

explains that, “China began to see South-South cooperation not as alternative to the new international economic order, but as a way to that end through the means of an exclusive but informal Third World vehicle” (Worden, 1986, p.90). In 1988, Deng Xiaoping declared that good relation with Latin America would become an exemplary case of South-South relations (Premier Li, 1995).

China gained credibility among Third World nations while also demonstrating that China could perform as a rational, reliable and useful link between the developing and developed worlds. China claims that the Third World states are all equals and need no leader, but it does posit itself as an advisor and facilitator with “... a sort of political elder brother posture which in fact places China in a superior position” (Harris and Worden, 1986, p.6).

During the 1990s China activated its South-South strategy through speeches and coordinated efforts in international organizations (IOs). Indeed Beijing hailed a new era of South-South cooperation in 2000 (Furniss, 2006) and increased their profile in IOs. In 2000 China created the Forum on China African Cooperation Africa (FOCAC). The *African Research Bulletin* reported that Wen's 2006 visit to Africa illustrated Beijing's gradual shift from giving priority to relations with global powers to building political capital with underdeveloped countries (Africa-China: Win-Win, 2006).

China's foreign policies toward Africa and Latin America demonstrate a strategy of securing access to resources, gaining new markets and investment opportunities and advancing itself as a global leader with a South-South agenda. For the past thirty-five years China's economy has grown at an average annual rate of 9 percent and has accounted for 25 percent of the global economic growth since 1995 (Devlin et al., 2006, p.195). In 2003, China's portion of global consumption accounted for 40 percent of the cement, 30 percent of the coal and steel, and 25 percent of aluminum and copper, and that same year China became the second largest oil importer. Moreover, China is the largest economic power in the Global South with its \$2.7 trillion economy, while that is still dwarfed by the US \$13 trillion economy. China is, therefore a necessary but not sufficient partner to a South-South coalition.

China's demand for natural resources is huge and growing, especially its demand for 700 barrels a day oil – a number not projected to be reached by between 2010-2015 (Harks, 2007, p.34). Notably the top suppliers of oil to China are states from the Global South: Saudi Arabia and Angola, and China concentrates its interactions with oil producing states in Africa and Latin America. China is the world's largest consumer of copper, tin, zinc, platinum, steel and iron. Latin America is China's largest supplier of these goods (Seligman, 2006). As the regions consisting of the most states, Latin America and Africa appeal to China as a voting bloc in the UN. China, Latin America and Africa have also pursued an institutionalization of their relations through various configurations of South-South relations, such as the India-Brazil-South Africa (IBSA and IBSA+China), Asian Pacific Economic Cooperation (APEC), the FOCAC and the Brazil-Russia-India-China (BRIC) summits.

As one of the five permanent members of the UN Security Council, China is the de facto representative of the Global South in matters of international security, but until recently it was largely a silent partner. Since the 1990s China has taken a more active role

in UN peacekeeping, in some cases in defense of non-intervention and but also as an active partner in collective security. In 2004 China sent a 125-man riot police detachment as part of the UN peacekeeping force for Haiti (Ellis, 2005). By the by 2007, China had sent more than 1,500 peacekeeping troops to take part a number of UN missions in Africa (Nduru, 2004, p.1). In 2007 a Chinese general was appointed to command a UN peacekeeping mission for the first time, overseeing troops monitoring a cease-fire in the disputed territory of the Western Sahara. China's more recent actions on the UN Security Council, such as using the veto power and participating in peacekeeping missions, demonstrate both China's political will and capacity to contribute to a South-South coalition.

China is well known for an economic and diplomatic agenda that is not tied to political expectations or demands (Forero, 2005; China seizes, 2006; Hilsum, 2006). Yet, the exception to China's no strings diplomacy is the issue of Taiwan, which China defines as a vital national interest and security issue. As of 1970, only a few states had diplomatic relations with China, but this changed after the Peoples Republic of China achieved diplomatic recognition and assumed its seat as a permanent member on the UN Security Council (Cheng, 2006). By 2009, there were twenty-three states worldwide that recognized Taiwan as an independent nation, and twelve of those were in Latin America. Thus, the number of states in Latin America and Africa has been important for China's goals, and Latin America represents the remaining arena for this diplomatic rivalry.

China has rarely applied its UN veto power, but they have been willing to use it on the issue of Taiwan (Li, 2005). In 1999, China wielded a rare veto against continuing a peacekeeping mission to Macedonia soon after Macedonia established relations with Taiwan. China had sent more than 250 Chinese police on similar peacekeeping missions in East Timor, Bosnia, Liberia, Afghanistan and Kosovo, and in the end, Macedonia switched diplomatic recognition to PRC that same year. Since 2007 China has even begun to play a more constructive role in UN peacekeeping in Sudan. In July 2007 China supported UNSC Resolution 1769 authorizing 20,000 peacekeeping forces in Darfur, although it does not contain the threat of sanctions that could harm China's oil interests; some believed the concession due to scrutiny over the 2008 Olympics (Heidt, 2007). Moreover, through its UN ambassador, Wang Guangya, helped negotiate Sudanese acquiescence to the mission (Bezlova, 2007; Schell, 2007) and on Hu's trip to Khartoum, after warning other countries to stay out, he hastened to remind al-Bashir that, "Darfur is a part of Sudan, and you have to resolve this problem" (Schell, 2007, n.p.).

According to Joshua Cooper Ramo, a former foreign editor of Time magazine who now lectures at Tsinghua University in Beijing, believes that China's success in economic growth and poverty reduction acts as an example to the rest of the world of an alternative path to development. Ramos contends that a new Beijing Consensus as a model driven by a desire for equitable, peaceful, high-quality growth that favors stability, self determination and, above all, flexibility. Ramos asserts that the Beijing Consensus, "offers a vision for how technological globalization [sic] changes things [in a way] that is far more nuanced and frankly useful than much of what is sent out from Washington or Geneva" (quoted in Furniss, 2006, p.55).

An UN Conference on Trade and Development (UNCTAD) survey shows that since 2004, China has been the fifth largest overseas investor and is rapidly increasing both the

number of its investments and the number of states in which these investments are made (Xinzhen, 2006, p.21). The largest increases have been in the developing regions. China's loans to Africa in 2004 were three times the total development aid provided by Organization for Economic Development and Cooperation (OECD) countries that year; China has overtaken the World Bank and offered more than three times the World Bank's financing in 2006. China's rise as a global power and its increasing willingness to initiate South-South partnerships bode well for increased bargaining power for such a coalition.

South-South Foreign Policy in Latin America

China and Latin America share common interests, such as opposition to hegemony, support for nonintervention and the establishment a new international economic and political order as a key economic partner with many compatible trade objectives (Delamer et. al., 2004; Mora, 1997; Zhang, 1998). China is trying to build a consensus with the countries of Latin America in international issues through the promotion of multipolarity and multilateralism, with the intention of confronting US unilateralism and to reduce the influence of Taiwan in the region (Pérez Le-Fort, 2006, p. 100). According to Pérez Le-Fort:

The objectives of China toward the region [of Latin America] have changed since the end of the Cold War and have reoriented toward the search for strategic bilateral relations in order to improve cooperation and coordination in international issues and for economic integration (Pérez Le-Fort, 2006, p. 100; my translation).

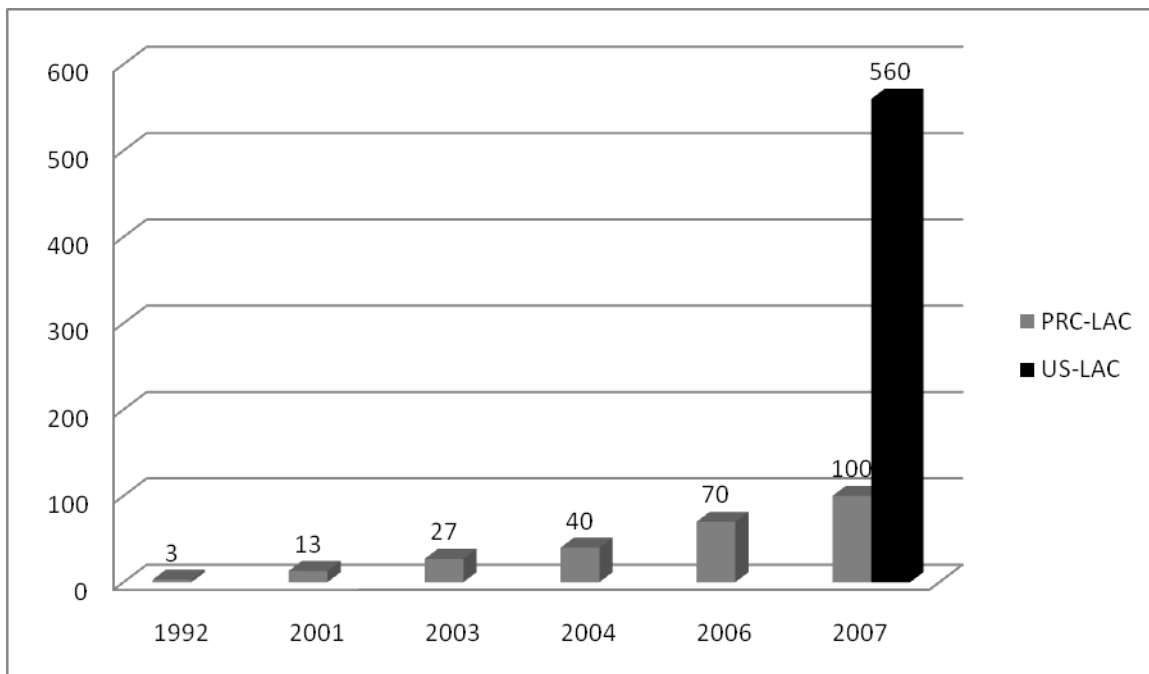
Both China and Latin American states support South-South coalition principles and collective strategies such as the Non-Aligned Movement (NAM) and UNCTAD in the 1960s-1970s and the Group of 20 (G-20) in the 2003 WTO meeting. Since the 1990s China has gained observer status in many regional bodies, including the Organization of American states (OAS), InterAmerican Development Bank (IDB), Latin American Integration Association, Economic Commission on Latin American and the Caribbean, as well as in subregional bodies such as the Rio Group, Mercosur (Mercado Común del Sur, or Common Market of the South), Caribbean Development Bank and the Andean Community. Observer status in the OAS allows China to attend the diplomatic proceedings and to participate in certain activities (Ellis, 2005; Li, 2005; Zhang, 2006; Pérez Le-Fort, 2006).

China's competition with Taiwan for diplomatic recognition makes Latin America a strategic area because it is home to the most state supporters of Taiwan. By 1995, China had diplomatic relations with seventeen Latin American countries. In 2009 twelve Latin American states accounted for a majority of Taiwan's diplomatic allies. Virtually all of these states are the small poor states of Central America or the Caribbean Islands. Since 2004, three states (Dominica, Grenada and Costa Rica) have switched their recognition to China, and one state, Saint Lucia, switched to Taiwan. When Dominica severed ties with Taiwan in 2004, Beijing rewarded the small Caribbean island state a \$112 million aid package (Rohter, 2004). Early in 2005 Chinese Vice President Zeng Qinghong made state visits to Mexico, Peru, Venezuela, Trinidad and Tobago, and Jamaica in successful

attempts to secure official declarations for a ‘One China’ policy. Most recently, in 2007 Costa Rica, a consistent supporter of the Taiwan since 1949, switched its recognition.

In another example of diplomatic coordination, China and Latin America have forged a common position on human rights since the late 1990s. In 1997 China gained the support of Argentina, Brazil and Colombia, Cuba, Dominican Republic, Ecuador, Mexico and Uruguay on the UN Human Rights Committee to agree that applying international standards to China was tantamount to meddling in its internal affairs (Zhang, 1998). The Chinese and Latin American foreign ministers expressed their shared views on human rights through their consensual opposition “to unilateral actions taken by certain countries that harm the sovereignty of other countries and human rights issues” (Chinese, Rio Group, 2000). Reciprocally, China supports the human rights records of Venezuela and Cuba and, with help from Global South states, undermines UN efforts to intervene on behalf of human rights in Sudan and Zimbabwe.

Figure 1: China-LAC Trade Volume, 1992-2007 (\$USb)



Sources: Jiang, 2006, p. 10 ;US Census Bureau, 2008.

China has been dramatically increasing its trade with partners in the region in both exports and imports, but substantial trade links have only emerged between China and Latin America within the past two decades. From 1988 to 2001 the growth in trade increased six-fold, doubling between 2001 and 2003, and jumping 67 percent from 2003 to 2004 (See

Figure 1). Chinese exports to Latin America were \$5.3 billion in 1999 and in 2004 they had reached \$18.3 billion and China imported \$22 billion worth of Latin American goods, which was 600 times more than they did in 1999 (Ballve, 2006, n.p.). Between 2004 and 2005, China increased Latin American imports another 60 percent (Donnelly, 2006; Devlin et al., 2006). The total volume of Sino-Latin American trade was \$13b in 2000 and \$40 billion in 2004 (Jiang, 2006, p.10). China's state-run Xinhua news agency reported that exports to Latin America grew 52 percent in the first nine months of 2008 to \$111.5 billion (Painter, 2008, n.p.). Despite low value in terms of all global trade, the rates of growth in trade between Latin America and China have been exponential in recent years. In 2006 the level of Sino-Latin American trade was still only two percent of China's total volume of global trade (Cheng, 2006, p. 502). Moreover, Latin America trade with the US is more than \$130 million dollars annually (Hornbeck, 2004), which is almost three times the volume of trade with China.

Trade between Latin America and China is concentrated in a few key partners and in a few products. At the turn of the millennium, China's top five Latin American trade partners – Brazil, Chile, Mexico, Argentina and Peru - account for 85 percent of imports from the region, and in 2005 the top seven trade partners (see Figure 2) generated 80 percent of the trade (Gutierrez, 2001; Jiang, 2006). In 2004 China had more than \$1 billion dollars invested in LA with the majority of investments in oil (Venezuela), iron ore (Peru, Brazil) cooking oil (Brazil) and textiles (Mexico) (Pérez Le-Fort, 2006, pp. 98-99). An IDB study on Sino-Latin American trade reveals that the top trade partners from the region actually rank as China's top three trade partners in a few key products. Chile is China's top supplier of copper, Brazil of iron ore, and Argentina of soybeans and soybean oil, and Brazil is the second largest supplier of soybeans (Delamer et. al., 2004).

China has been pursuing oil exploration with smaller states in the region; for example, in late 2004 China invested \$100 million in drilling exploration in Ecuador (Li, 2005). In 2006 the Andean Petroleum Company, a consortium of two state-owned Chinese oil companies, won a bid to buy Canadian owned EnCana Corporation with oil and pipeline interests in Ecuador for \$1.42 billion. The deal includes a pipeline with a 75,200 barrel per day capacity and a reserve capacity of 143 million barrels. China also has a 45 percent stake in Pluspetrol, Peru's largest operator, a 50 percent stake, held jointly with India, in Colombia's Omimex de Colombia, and has committed \$5 billion for investments in the oil industry (China Jockey, 2006).

Figure 2: China's Top Trade Partners in Latin American (US\$b)

State	Brazil	Mexico	Chile	Argentina	Panama	Peru	Venezuela
2005 Trade volume	\$15b	\$8b	\$7b	\$5b	\$3.2b	\$2.9b	\$2.1b

Source: Jiang, 2006

Given China's comparative advantage and interest in Latin America's commodities, Sino-Latin American trade patterns could actually shift the economic structure of Latin

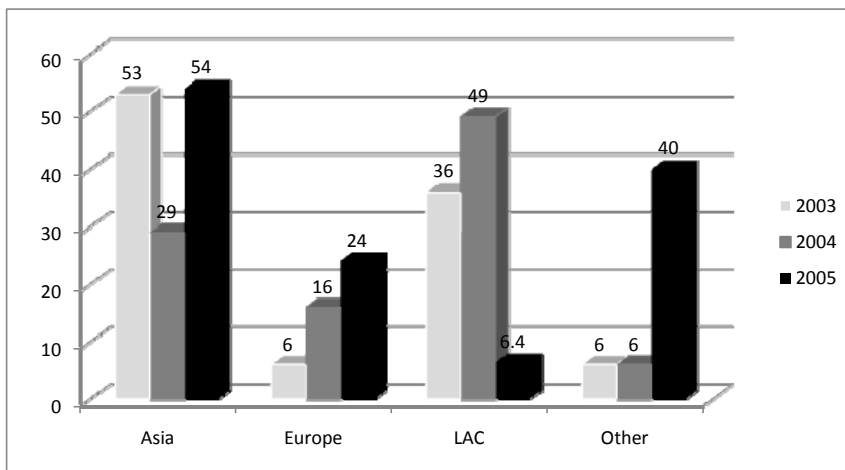
America and create significant labor dislocation, especially since Chinese competition is most notable in labor intensive industries, such as the textile industry (Ellis 2005). The wage ratios between China and Brazil and China and Mexico are three to one and five to one, respectively (Devlin et. al., 2006, p.200). Ellis notes that:

... Increasing trade with China could reduce the number of jobs in the region and deepen poverty. To the extent that extractive industries traditionally involve major concessionary arrangements with governments and major capital investments...socialist China ironically could deepen the corruption and class disparities that have traditionally plagued the region (Ellis, 2005, p.30).

Some reports show opposite trends in Latin American exports with a reduction in the share of primary products and a shift toward industrial products (Mindge, 2006; Jiang 2006, p.10). With either scenario, however, there remains the potential for negative environmental impacts such as from extractive industries and clearing the rainforest for soya production.

Sino-Latin American economic relations have moved away from simple trade and toward a combination of trade, economic assistance, investment and joint ventures (Zhang, 2006). In 2004 almost half of Chinese overseas investment abroad went to Latin America (Ellis, 2005). There are also signs that China is diversifying its trade with the deconcentration of investments in Asia and shifts toward Europe and Latin America (See Figure 3). Considering that total foreign direct investment in Latin America dropped from \$78 billion in 2004 to \$36 billion in 2005 (Landau, 2005, p.42), the surge in Chinese investments and trade deals within the region could not have come at a more propitious time.

Figure 3: The Distribution of Chinese Overseas Investments (%), 2003-2004



Sources: Zhang and Wang, 1988; Zhang, 1994; Premier Li, 1995; Mora, 1999; Landau, 2005; Ellis 2005, Asia Pacific Foundation of Canada, 2005.

Although most of Latin America has enjoyed a trade surplus with China over the 1990s, trade competition may become more of an issue in the future. In 2007, 40 percent of Chile's exports went to Asia-Pacific and for Peru it was 19 percent, but Mexico only sent 3 percent of their exports to China, and they also had a \$28 billion trade deficit with China (Painter, 2008). Brazil's 2006 China-bound exports exceeded Chinese imports by just \$400 million, and this was down from \$2.4 billion in 2003, and for the first time since 2000, Brazil has had a trade deficit with China in 2007 (Waldmann, 2007, p.1).

South-South Foreign Policy in Africa

Sino-African relations date back to the liberation movements of the 1950s and 1960s and Sino-African relations show similar patterns as Sino-Latin American relations. Sino-African economic relations have focused on trade, heavily concentrated in energy commodities, joint ventures and investments in the energy sector and economic aid in the form of soft loans and debt relief. China has a vast wealth of capital, more advanced technology and administrative experience, and Africa has an abundance of unexploited natural resources, especially in terms of energy resources. Africa also has an advantage in its numerical weight in international diplomatic arenas with more than fifty states versus less than thirty-five in Latin America. African countries have given crucial diplomatic support to China, backing the resumption of the permanent seat in the United Nations and entry into the WTO (Zhou, 2007).

The 1990s accelerated relations coincided with decline in Western interest in continent, and 1996 and President Jiang Zemin announce a "Five Point Proposal" for a new relationship with Africa believing that the African conflicts and instability that began in the 1990s were drawing to a close and that they are ripe for an economic takeoff (Vines, 2007; Payne and Veney, 1998).

In 2000 China created the Forum on China African Cooperation. Africa (FOCAC) as crucial to China's foreign policy goals and relations are likely to be expanded and strengthened as the states become emerging powers. Indeed, since Beijing hailed a new era of South-South cooperation in 2000, the Chinese have been making their presence felt in Africa (Furniss, 2006). He Wenping, director of the West Asia and African Studies Section of the Chinese Academy of Social Sciences in Beijing, stated,

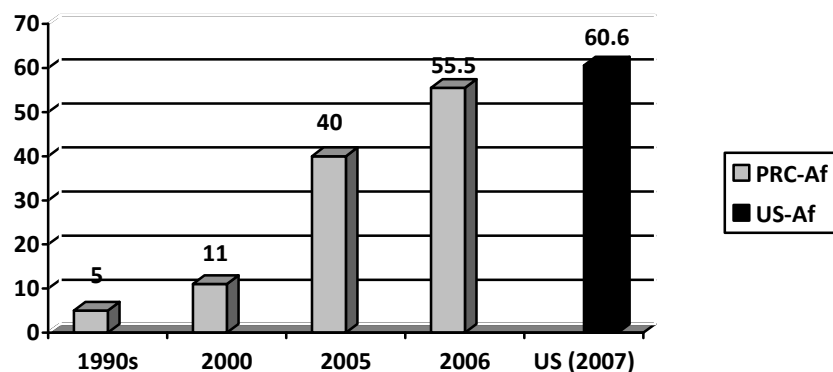
Both China and Africa are opposed to unilateralism and the use of force. ...China believes that through developing South-South cooperation, we can improve North-South dialogue and establish multilateralism in the world. We also want to strengthen the UN and other multilateral organizations and encourage them to pay more attention to development and anti-poverty concerns (quoted in Furniss, 2006, n.p.).

The pace of China's engagement in Africa quickened in 2003 for two reasons: 1) Hu takes over as president and an energy crisis in China focused minds in Beijing on the urgent need for energy diversification, 2) the 2005 attempt by the China National Offshore Oil

Corporation (CNOOC) to gain control of US firm Unocal when an \$18.5b bid collapsed under pressure from US Congress. In many ways, US protectionism was a wake-up call and motivator for more frenetic activity by Chinese companies, and the Unocal episode taught Beijing that it would have to be aggressive in competing for natural resources. China is outbidding Western contractors on infrastructure projects in Africa, while providing soft loans and using political means to increase its competitive advantage in acquiring natural resource assets (Vines, 2007).

Africa has been an important focus for Beijing's new era of South-South relations, even declaring 2006 as the Year of Africa. The African continent averaged 5.5 percent annual growth between 2001 and 2006, which is their highest rate in three decades (Comment, 2007; Wood, 2006). In the late 1990s Africa-China trade amounted to just \$5 billion a year, but this has grown tenfold. Sino-African trade has grown by 400 per cent in four years (Furniss, 2006, n.p.). Sino-African trade reached \$40 billion in 2005, representing a fourfold increase since 2001, and trade increased another 40 percent between 2005 and 2006 (Kirchick, 2007). In 2006 China's exports to Africa were \$26.7 billion and its imports from Africa at \$28.8 billion, rising 43 percent and 37 percent, respectively (Zhou, 2007). Two- way trade is expected to reach \$100bn by 2010 (Batson and Oster, 2006; Comment: China, 2007). China has displaced the UK to become Africa's third largest trade partner after France and the US. China's trade with Africa is still proportionately small accounting for only 3 percent of its global trade (Vines, 2007, p. 217), but Figure 4 below shows that China is quickly approaching the levels of US-African Trade.

Figure 4: Sino-African Trade 1990s-2006 (\$USb)



Sources: Harks 2007, Vines 2007, Schell 2007

Through patient diplomatic, military, and especially economic overtures, a resource hungry China with an eye on Africa's oil has been extending its reach across the continent (Kirchick, 2007). Chinese officials dubbed 2006 the "year of Africa" and Chinese government officials visited nineteen African countries in the first six months of the year,

signing more than 100 bilateral agreements covering politics, economics, trade, infrastructure, culture, education and science and technology. Premier Wen Jiabao's made an eight-day tour of Africa (Egypt, Ghana, Republic of Congo, Angola, South Africa, Tanzania, Uganda) in June (Africa-China: Win-Win, 2006). In November 2006 representatives of forty-eight states, including forty heads of state, gathered for the Beijing Summit of the FOCAC where political leaders met to discuss challenges of globalization and development. The summit highlights China's growing engagement with the region and underscores China's willingness to wield diplomatic clout (Oster, 2006). The plan that came out of FOCAC included doubling aid to Africa, debt relief, expanded access for goods of low-income countries to the Chinese market, training and building schools and hospitals (Africa-China: Hu's, 2007). Chinese and African enterprises signed fourteen business deals valued at \$1.9 billion (Batson, 2006) and pledged \$5 billion, which will be primarily used to encourage Chinese companies to invest in Africa (China-Africa Cooperation, 2007; Batson, 2006). In January 2007 China sent its foreign minister, Li Zhaoxing, on a six-nation African visit, coinciding with the release of a government white paper outlining its African policy. Amid the usual talk of mutual benefit and friendly co-operation, the paper called for greater Sino-African military co-operation, and said China would, "when conditions are ripe", be willing to negotiate a free-trade agreement with the continent (Asia: No, 2007).

As in Latin America, trade and investment between China and Africa is concentrated in a few states and specific products (see Figure 5). China's foreign direct investment in Africa is mostly channeled to the resource rich countries of Angola, Nigeria, South Africa and Sudan; 50 percent of Africa's exports to China are oil and 85 percent of Africa's exports to China come from five oil and mineral exporting countries: Angola, equatorial Guinea, Nigeria, Republic of Congo and Sudan (Vines, 2007, p.214; Hanson, 2008). The oil producing states send a significant portion of their exports to China: Sudan 68 percent, Angola 37 percent and Equatorial Guinea 22 percent, while the largest economies of Nigeria and South Africa send 1 percent and 3 percent, respectively, to China (Furniss, 2006). China gets about one-third of its oil imports from Africa (Hanson, 2008).

Figure 5: China's top trade partners in Africa

State	Angola	South Africa	Sudan	Nigeria	Egypt	Top 5
Percentage of China-Africa Trade	24% \$25.3b	17%	8%	7%	6%	62%

Source: Trade Law Center for Southern Africa, 2009.

By 2001 China had acquired a 40 percent holding in the assets of the Greater Nile Petroleum Consortium and in 2004 secured lease operating rights in Chad, Nigeria and MorTaiwanco (Africa-China: From strength, 2004). In 2006 China's state-run energy firm, CNOOC, announced the purchase, for \$2.27 billion, of a 45 percent stake in a Nigerian oilfield (Asia, 2006). In 2007 China secured four oil drilling leases from Nigeria involving \$4 billion in investments and bought a controlling stake in the Kaduna oil refinery (Harks, 2007). However, China faces the same obstacles as Western investors in the oil industry. The Movement for the Emancipation of the Niger Delta (MEND) has threatened Chinese interests and nationals following the signing of new oil and gas deals during President Hu's April 2006 visit and in 2007, fourteen Chinese telecommunications and oil workers in Nigeria were abducted and later released.

In the spirit of South-South cooperation, Beijing has written off \$10.5 billion worth of debt from 31 African countries since 2000 and created tax exemptions for 190 imports from 25 countries. In 2006 China committed \$8.1 billion in lending to three states (Angola, Mozambique, Nigeria), while the World Bank committed \$2.3 billion for all Sub-Saharan Africa (French, 2006, p.127). China has cancelled the debts of thirty African countries equaling \$1.4 billion and announced \$1.3 billion in new aid (Comment: China, 2007). In 2007 on President Hu's third visit to Africa he committed \$5 billion over the next three years in soft loans, grants and export credits to help rebuild Africa's infrastructure (Versi, 2007, p.11).

Many of these investments are controversial in the international community due, in part, to China's relations with such notorious regimes as Sudan and Zimbabwe. China has repeatedly blocked or weakened UN Security Council resolutions to impose sanctions or send peacekeeping missions to address the Darfur crisis. Despite the internal crisis and the international sanctions, the Sudanese economy has experienced 13 percent growth in no small part to their trade with China. China receives 60 percent of Sudan's oil and is their largest foreign investor, and Beijing also supplies arms in contradiction to the UN arms embargo. In 2007 President Hu granted Sudan a \$13 million interest free loan to build a new presidential palace and cancelled \$70 million in bilateral debt (Kirchick, 2007). In June 2006 China offered over \$1 billion in energy and mining deals to Zimbabwe and although neither China nor Zimbabwe indicated how the investment would be repaid, the deal will give Beijing access to the country's mineral deposits, which include the world's second largest deposits of platinum as well as gold, chrome, nickel and diamonds. Zimbabwe has also made agreement with China to improve state radio and television transmissions in return for chrome supplies (Cooperation and Trade, 2006).

In 2005 the Congress of South African Trade Unions (COSATU) called China's trading policies toward Africa "colonial" because they focus on exploitation of mineral and natural resources, but not building Africa's industrial capacity. COSATU said Chinese imports already cost South Africa 55,000 jobs since 2003 (Eagle, 2006). "The challenge is to find openings to engage China, to ensure that past mistakes of postcolonial development and investment in Africa are not repeated, and to increase the likelihood that China's engagement goes beyond natural resource extraction to contribute to Africa's development and prosperity" (Vines, 2007, p.219). However, the present nature of Sino-African trade—largely products in return for resources has raised concerns that relations between China

and Africa has the potential to become akin to that of the old European colonial empires (China-Africa, 2007).

Some African leaders, including South Africa's Thabo Mbeki, warn China against becoming a new “colonizer.” Some critics have compared China to European powers at the turn of the twentieth century that asserted their imperialist claims in Africa.

The Chinese bristle at any such comparison, especially considering the country's well known insistence that its rise should never be seen as threatening anyone, as well as the corollary claim, taught to every Chinese school child, that their country has never practiced imperialism - and by implication never will. Certainly, China cannot so far be accused of using its advance into Africa to bolster its strategic position in the world. Indeed, military concerns have played a remarkably small part in China's return to the continent as a major player (French, 2006, p.128).

Prospects and Pitfalls for a South-South Coalition

This discussion of the framework for South-South coalition politics in international relations and the supporting evidence from relations between China, Latin America and Africa illustrate the growth of South-South coalition politics. The rise of a more cohesive and strengthened South-South coalition have increase the bargaining power of Global South states and, and in particular, advance the more powerful actors of the Global South, such as Brazil or South Africa, to a higher level of global power. The South-South strategy also helps reinforce and support domestic goals of economic growth and political stability. Thus, the prospects are promising for Global South state's to increase their global power, continue economic growth and create a multi-polar international system.

The increased bargaining power will be tied to two factors: 1) the capacity of the South-South coalition to bargain collectively within international institutions and as alternative to a North-South dialogue, and 2) the ability of the South-South coalition to affect changes in international decision making, such as the recent successes in the WTO dispute settlements. Global South states are also increasingly creating South-South blocs, such as IBSA, FOCAC, or BRIC as alternatives international organizations and as additional mechanisms for multilateralism. The South-South coalition is premised on the principles of peaceful coexistence and is showing signs of greater support for collective security; these are seen in China's increasing support for UN peacekeeping or in supporting regional peacekeeping such as the African Union in Darfur.

The pitfalls of a South-South coalition involve encouraging authoritarian leaders, increasing militarization of those regimes, undermining international regimes for human rights and humanitarian intervention and negative consequences of the economic model. The post-9/11 period has witnesses a shift toward a South-South coalition, but it may also recuperate the most conservative elements without a progressive internationalism and at best establish illiberal democratic regimes (Hadiz, 2004). South-South cooperation has sometimes meant the shielding of authoritarian regimes, such as Zimbabwe or Sudan, or in concerted efforts to weaken UN monitoring of human rights.

There is the potential for greater coordination among states within Global South, but the relations could also promote conflict among pivotal states (Rosenbaum and Tyler, 1975). The South-South strategy for mutual development emphasizes state-to-state exchanges among the Global South, which remains concentrated in a few countries and in historical patterns of exports of commodities and agricultural products. This economic model runs the risk of creating growth without development and trade contradictions between the Global South partners. Additionally, this may also bring China into direct conflict with the states of the Global North who already often see China as a threat to the international order and who will increasingly compete for global resources.

Cases from Africa demonstrate that growing economic ties with China means losing jobs in the local market or failing to create jobs for locals as Chinese workers are imported in joint projects (Eagle, 2006; French, 2006). The potential for friction between China and Africa is particularly acute in the textile and footwear sectors, as a massive influx of cheap Chinese products has dealt a blow to Africa's manufacturing sector. "Ten years ago there were 320,000 workers in South Africa's shoe factories. Now there are less than 50,000. Most of the shoes sold in South Africa come from China. The most expensive ones are imported from Italy," Garth Shelton, a professor of international relations at Witwatersrand University says (Nduru, 2004, p.1). Competition from Chinese manufacturers in third-country markets has also hit African industries. Following the liberalization of the international textiles trade in 2005, the value of the clothing and textiles from five African countries fell by 17 percent, causing widespread job losses -- 3,000 in Kenya, 12,000 in South Africa and 15,000 in Lesotho (Furniss, 2006, n.p.). Moreover, "starter" industries that Africans may enter into (e.g., textiles, furniture making, plastics and cheap electronics) are likely to be dominated by China for a long time to come. In fact, China's cheap textiles and clothing imports put 65,000 South Africans out of their jobs (Africa-China: Win-Win, 2006).

China has been important in offering financial assistance that has helped reduce their debt burden, offer capital, technology and infrastructure for extractive industries, and offer soft loans with no conditionalities attached. China is unburdened at home by opposition parties, human rights watchdogs, or a free press and asks no questions about its trading partners' domestic repression, so that its "mutual noninterference policy" makes it the ideal partner for despotic states (Kirchick 2007). Sarah Wykes, senior campaigner with Global Witness, a British nongovernmental organization working to expose the links between natural-resource extraction and human-rights violations. Nowhere is this more clearly illustrated than in Angola, China's largest supplier of oil. Donors had refused to lend the Angolan government the funds it needed for reconstruction without commitments to move forward on issues of human rights, good governance and fiscal transparency. "Then, in 2004, there's suddenly this US\$2billion export credit deal with the Chinese. And the Angolan government no longer needs any concessional loans from the IMF or the World Bank" (quoted in Furniss, 2006, n.p.).

The pitfalls for China stem from the instability and volatility of the Global South in terms of the regimes themselves as well as the continued patterns of trade in commodities. China will have to overcome its policy of noninterference:

In the longer term, after the flush of excitement from the rush of new investment and attention from the East has passed, more and more Africa will come to this stance for what it is, a shirking of responsibility and excuse for doing whatever suits Beijing. In the African context, where poverty is the norm, where institutions are weak, and where the temptation for corruption is as powerful as anywhere on earth, preaching non-interference equal moral abdication (French, 2006, p.132).

This presents a risk to China's need for access to resources and may present the reluctant power with increased confrontations with anti-Chinese sentiments from within the states and growing involvement in their domestic affairs to protect Chinese economic interests.

Conclusions and the Future Research Agenda

China has increased its support of a South-South coalition within the past few decades, and the South-South coalition can help developing states grow and diversify trade ties and can magnify negotiating power in diplomatic arenas. All states involved, albeit to varying degrees and in myriad contexts, need to balance short-term, macroeconomic gains against long-term needs. The South-South coalition offers to aggregate resources and encourage cooperation for common goals in order to advance the interests of the Global South states in the international system. But like all grand strategies there are variable outcomes for coalition partners and possible resistance from non-partners. South-South partners may not be able to even reach much less maintain consensus and they may also choose alternative foreign policy strategies, for example, to cooperate with Global North states or oppose a Global South state. The South-South coalition strategy, however, is growing in state-to-state relations and through IGOs. This framework for analysis raises many new question for research to help understand how to promote cooperation among and how to avoid conflicts in international relations.

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